

# House of Commons Debates

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FIFTH SESSION—SEVENTH PARLIAMENT

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## SPEECH

OF

JAMES M<sup>C</sup>MULLEN, M.P.

ON THE

## SUPERANNUATION ACT

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OTTAWA, WEDNESDAY, 5TH JUNE, 1895

Mr. McMULLEN. Mr. Speaker, I think that is the fifth time during my parliamentary life that I have had the privilege of bringing before this House the question of superannuation. For several years, I have given considerable study to the operation of the Act, and I have endeavoured to expose the objectionable operation of that Act upon the public expenditure of this country. Last year, at the urgent request of the First Minister, I consented to allow this Bill to stand over, on the ground that the Finance Minister was not in the House at the time, and I did not get another opportunity of bringing it forward. On this occasion, I would gladly consent to the proposition made by the Finance Minister had I positive assurance that I would have another opportunity of moving the second reading; but, owing to the manner in which I was disappointed last year, I think I should embrace the present opportunity to go on with the Bill. I have endeavoured to point out, from year to year, the manner in which the Superannuation Act has operated. I have proved that the country has lost a large amount of money by

the continuation of this system. The Act was brought into force in 1871, when Sir Francis Hincks was Finance Minister in the Government headed by Sir John Macdonald. Had the Act been allowed to remain on the statute-book as it was first introduced, by which 4 per cent was deducted from salaries of \$600 and over, and  $2\frac{1}{2}$  per cent from salaries under \$600, the fund would have been self-sustaining. In fact, had it been honestly administered, as I will prove later on it has not been, it would have been more than self-sustaining. But, after the Act had been in force some three years, Sir Leonard Tilley, when Finance Minister, introduced an amendment to it, providing that the sum deducted from the salary of civil servants should be reduced—on salaries of \$600, and over, from 4 per cent to 2 per cent; and on salaries under \$600, from  $2\frac{1}{2}$  per cent to  $1\frac{1}{4}$  per cent. That cut down the receipts under the operation of the Act, 50 per cent. The result was that, owing to the large number of civil servants who were superannuated from year to year, the superannuation fund became a drain upon the country's re-

sources, which grew worse and worse from year to year. Now, I will give the receipts and expenditures on account of the fund for each year during its operation :

Year.	Receipts.	Expenditure
	\$ cts.	\$ cts.
1871	49,470 50	12,880 49
1872	53,213 80	38,842 81
1873	54,757 30	53,026 12
1874	34,620 18	64,442 84
1875	36,678 71	71,371 85
1876	38,476 00	101,627 16
1877	40,890 26	104,826 99
1878	41,856 62	106,588 91
1879	41,959 20	113,531 63
1880	43,531 80	116,391 75
1881	44,995 80	147,362 10
1882	46,426 39	160,319 95
1883	46,372 03	186,236 67
1884	51,882 21	192,692 70
1885	52,701 33	203,636 21
1886	57,075 43	200,655 25
1887	62,600 96	202,285 85
1888	62,945 72	212,743 72
1889	63,031 46	218,933 65
1890	61,513 05	241,764 66
1891	62,824 60	241,110 49
1892	63,862 79	253,679 88
1893	64,433 27	263,710 15
1894	63,974 67	262,302 00

This shows that during the time the Act has been in force, some twenty-two years, the total receipts were \$1,239,094.08, and the total expenditure, \$3,770,963.83 ; or a net loss to the country of \$2,531,869.75. The number on the list of superannuated officers at the end of 1893-94 was 551. The gross amount paid to them is \$262,302. The average amount to each is \$476. The total amount contributed by those now in the Civil Service during the last year is \$63,944.67. The total number on the Civil Service list last year who contributed to the fund was 4,685, and the average amount contributed by those who are now in the Civil Service is \$14.10 annually. I contend that the Act has been very much abused. Had it been administered as originally intended, the amount which the country has been called on to pay would not have been sacrificed. The Act, however, was only in force a few years when it was used as a means to remove civil servants from the positions they occupied and place them upon a retired allowance, in order that room might be made for others who were pressing their services on the Government. Now, to show the position in which the Civil Service now stands, and to prove that there is no necessity, from a financial standpoint, why superannuation should be continued, let me give the figures from a return that has been placed before Parliament, of the

number of civil servants in the employ of this country on the 30th June, 1894, and the average salary paid. It will be found that we have in the inside service in the city of Ottawa, 898 employees altogether. They draw a gross salary of \$1,095,723.50, or an average salary of \$1,220 each. Then we have the outside service, consisting of 3,787 employees, who draw a gross amount of \$2,830,063.30, or an average salary of \$747. Taking the inside and the outside service together, the average salary of all the employees of this Dominion, on the 30th June, 1894, was \$838. Now, I contend that the Civil Service are fairly well paid. There is no other class in this Dominion who get an average salary of \$838 per year. School teachers do not get that much, neither do ministers of the gospel. Take the bank clerks throughout the Dominion, and I venture to say that they do not get an average salary of \$838. You will get no other class in this Dominion that, on the whole, is as well paid as the Civil Service. They have short hours, good salaries, and they get three weeks holidays during the summer, during which their salaries are allowed to run. Under these circumstances, there is no ground whatever why we should be asked, in the straitened condition of our finances, to contribute not only the gross sum of over \$200,000 a year, but to keep adding to the list of superannuated civil servants and thus add to the drain on our resources from year to year. To prove that the system has been grossly abused, to prove that hon. gentlemen opposite have, year after year, utilized this Act for the purpose of making room for those who were pressing their services on the Government, let me mention the fact that on the list of superannuated officials there are eighty-four who are superannuated under the age of fifty, and a considerable number superannuated under the age of forty. It is evident that a number of those who were removed to make places for others who were urging upon some members of Parliament or upon the Cabinet the engaging of their services by the country at a good round salary. I claim that, with the facilities enjoyed in Canada for life insurance, it would be much better to leave the civil servants to provide for themselves, in case of sickness or old age, by taking advantage of the very cheap systems of insurance now in force rather than to compel them to contribute to this fund, in the hope that they will reap the benefits of superannuation. I am glad to be able to say that I have good reason to believe that the Civil Service is in favour of the measure I am now advocating. The salary of each one is subject to a reduction of 2 per cent annually, and those who die in the service never get any benefit, nor do their relatives, from this drawback on their salary. It is in a great measure only the incompetent

class, who have put in a few years' service and are in the way of the more efficient class, who reap the benefit of superannuation. Then, the only other class which gets any benefit consists of those who were removed because their places were wanted for others. These are the two classes that fill the superannuation list. We have throughout the country many evidences of the application of the system in this way. Take, for instance, the postmastership of Montreal. Mr. Lamothe, who used to be postmaster, had served a term of twelve years, and Mr. Dansereau was very anxious to get his place. Through the influence, I presume, of Mr. Chapleau, now Lieutenant-Governor of Quebec, he secured the superannuation of Mr. Lamothe, at an allowance of some \$2,000 a year, by adding eight years to his term of service. Mr. Lamothe was superannuated at that figure, and is now enjoying life in Montreal on that ample allowance, and Mr. Dansereau was appointed in his place at \$4,000 a year. You can go through the whole country, from the Atlantic to the Pacific, and find evidences of the scandalous abuse of that Act in every city and town. On 30th December, I see the Government were still continuing to use this Act in a manner contrary to the interests of the people. The return provided for under this Act and laid on the Table of the House this year shows that on the 30th December, 1894, the Government had, during that year, added 57 to the list. The gross amount payable to the 57 as long as they live, is \$22,710.33 per year. There have been gratuities given to some five in addition to the number superannuated, amounting to some \$2,631. Now, I notice that some have been superannuated who have not served the number of years provided for in the Act, which makes ten years the minimum term of service in order to qualify for superannuation. In order to get over that the Government have utilized another clause of the Act which authorizes them to add years to the term of service for reasons such as efficient service, technical knowledge of some particular subject, and so on. Mr. W. G. Gouin, a culler in receipt of \$500 a year—the cullers are employed only in the summer time as there is no culling to be done in winter—served five years. He is now 37 years of age. The Government added ten years to his term of service and granted him an allowance of \$150 a year for the rest of his life. Thomas Malone, also a culler, on a similar salary, served eight years, had ten years added to his term of service and now, at 37 years of age he is retired on a pension of \$108. Out of the 551 names in the superannuation list, hon. gentlemen opposite have superannuated 429. Since the year 1880, they have superannuated 412 civil servants,

so that there is a very small percentage on the superannuation list to-day who were not superannuated by hon. gentlemen opposite. While I am on this point, I will give a few more names to show how this Act has been abused :

	Years in the Service.	Years added to length of Service.	Amount of Annual Allowance
E. N. Piché.....	6	10	400 00
Rev. J. Cameron..	3	10	252 24
P. E. Côté.....	9	10	424 08
C. J. Coursolle...	8	10	351 20
E. Daigneault....	7	3	187 92
Robert Donkin....	5	10	437 04
John Flinn.....	5	7	456 00
Charles Ketchum..	6	7	499 20
J. W. King.....	6	10	608 04
C. M. Nutting....	5	10	145 56
W. A. Ryan.....	3	10	75 72
F. Z. Tassé.....	8	7	997 44
V. Tétu.....	8	10	345 60
John Costley.....	10	10	592 20

If the Act had been honestly administered, as the Superannuation Act in England is administered, the balance would be on the right side of the ledger to-day. Every possible excuse that can be used has been used in order to superannuate men who were filling lucrative positions that were wanted for others. The result is that over two and a half million dollars of the people's money have virtually been wasted. Let me give you a statement that I have prepared, showing the amount that has been paid in and the amount drawn out by a number of those on the superannuated list. Shortly after Parliament opened, I procured an order of the House for a return that would give us the full amount that had been paid in by each civil servant now on the superannuated list and the gross amount drawn by him from the fund up to the present time. For some reason that return has not been brought down. It is not one that would take a great deal of work to prepare. I made up my mind that I would not delay the second reading of my Bill for the return, for fear it should not be presented during the present session. Now, in the statement I have prepared the amount paid in is based upon the last three years of service, so I am virtually giving them credit for more than they have paid in, for it is well known that civil servants get an increase of \$50 or \$100, or, in some cases, \$200 per year. And basing the calculations of their payment to the fund on the last three years of their service, gives them credit for a larger amount than they are entitled to. But I want to give credit for the full amount, and even more, as I am charging them with the full amount they have drawn. This is the list I refer to :

Date of S.	Name.	Paid in.	Received.
		\$ cts.	\$ cts.
1878.....	Agnew, William, Custom-house Officer.....	168 00	9,996 00
1884.....	Amos, J. S., Custom-house.....	260 00	6,819 12
1886.....	Armstrong, Clerk, Post Office, Hamilton.....	336 00	6,669 60
1883.....	Ashe, D. D., Director of Observatory.....	336 00	11,759 04
1883.....	Austin, F. E., Clerk, Interior.....	408 00	11,880 00
1891.....	Baillairgé, G. F., Deputy Minister of Public Works.....	1,280 00	8,959 68
1884.....	Bracello, Clerk, Post Office, Montreal.....	208 00	2,463 12
1887.....	Bayley, J., Railway Mail Clerk, Montreal.....	307 20	2,150 40
1883.....	Befort, F. X., Inspector of Steamboats, Sorel.....	240 00	4,559 60
1885.....	Belanger, J. A., Clerk, Secretary of State.....	448 00	9,919 20
1879.....	Bell, R., Inspector of Canals.....	224 00	4,158 00
1879.....	Benoit, Ulric, Clerk in Post Office, Montreal.....	176 00	9,408 00
1893.....	Bellemere, R., Inspector of Inland Revenue.....	1,100 00	3,499 92
1882.....	Bissonnette, J. S., Assistant Appraiser at Halifax.....	154 00	2,335 19
1888.....	Bowes, W. F., Mail Clerk.....	340 00	4,899 72
1891.....	Bucke, P. E., Clerk, Post Office Department.....	720 00	5,040 00
1887.....	Caldwell, S. R., Customs Surveyor, Halifax.....	480 00	5,760 00
1881.....	Carmichael, J. E., Landing Surveyor, &c.....	160 00	7,738 88
1885.....	Cherriman, J. B., Superintendent of Insurance.....	1,120 00	17,600 00
1891.....	Corner, S., Weigher, Customs Department.....	480 00	3,600 00
1884.....	Degaspé, A. A., Clerk, Post Office, Montreal.....	260 00	6,600 00
1881.....	Dixon, J. D., Collector of Customs.....	160 00	5,822 88
1887.....	Dore, F. J., High Commissioner's Office, London.....	800 00	10,800 00
1881.....	Douglas, R., Sub-Collector of Customs.....	75 00	3,864 00
1886.....	Duff, Alexander, Locker, &c., Toronto.....	360 00	7,560 00
1887.....	Dupont, C. J., Inspector Inland Revenue.....	704 00	11,733 36
1891.....	Emery, M., Assistant Postmaster, Montreal.....	800 00	5,600 00
1882.....	Foot, T., Accountant, Intercolonial Railway, Moncton.....	528 00	15,969 72
1880.....	Forbes, H. J. G., Custom-house Officer.....	153 00	8,668 80
1880.....	Fox, J. J., Collector Customs, Magdalen Islands.....	216 00	12,600 00
1881.....	Gordon, J., Clerk, Post Office, London, Ont.....	240 00	8,316 00
1881.....	Graham, R., Collector of Customs, Fort Erie.....	200 00	8,400 00
1890.....	Graham, Assistant Receiver General, Victoria, B.C.....	440 00	9,300 00
1883.....	Grant, G. W., Clerk, Customs Department.....	384 00	5,850 00
1883.....	Green, J. A., Surveyor of Customs.....	432 00	15,120 00
1888.....	Griffin, W. H., Deputy Postmaster General.....	1,088 00	15,680 00
1890.....	Hamley, Hon. W., Collector of Customs, Victoria.....	1,444 00	11,779 80
1872.....	Hewitt, Thomas, Paymaster, Lachine Canal.....	32 00	18,282 24
1884.....	Higgins, M. A., Clerk, Finance Department.....	468 00	13,860 00
1880.....	Himsworth, F. A., Clerk, Privy Council.....	315 00	16,830 00
1883.....	Hood, H. A., Collector of Customs, Yarmouth.....	336 00	7,381 52
1887.....	Howe, S., Dominion Auditor, Halifax.....	608 00	9,727 68
1882.....	Jenkins, C. W., Post Office Department.....	396 00	11,700 00
1892.....	Johnson, J., Commissioner of Customs.....	1,680 00	8,399 88
1884.....	Johnson, S., Clerk, Post Office, Montreal.....	299 00	7,615 08
1883.....	Jordan, F. G., Clerk, Receiver General's Office, St. John.....	366 00	11,759 04
1887.....	Kavenagh, L., Sub-Collector of Customs.....	102 00	3,223 68
1852.....	Kidd, Governor General's Secretary's Office.....	517 00	20,332 00
1873.....	Knight, Thos. F., Inspector of Ports, Nova Scotia.....	40 00	7,656 64
1880.....	Labossiere, E., Lock Labourer, Champlain Canal.....	46 50	4,231 80
1886.....	Laperrière, Auguste, Library of Parliament.....	504 00	12,000 00
1886.....	Leahy, Mary, Matron, Kingston Penitentiary.....	255 00	3,787 56
1871.....	Lee, J. S., Clerk, Customs, Ottawa.....	20 00	7,920 90
1879.....	Leslie, J., Postmaster, Toronto.....	560 00	39,798 72
1879.....	Marter, W. J., Locker, St. John, N.B.....	128 00	8,958 72
1887.....	Mingaye, W. R., Collector and Inspector Customs.....	1,216 00	28,064 00
1932.....	Moncoey, J. F., Appraiser, Port of Halifax.....	308 00	6,186 96
1884.....	McCaffrey, Messenger, Finance Department.....	48 75	2,970 00
1879.....	McColl, Evan, Landing Waiter.....	150 00	6,646 80
1873.....	McCrea, W. H., Chief Clerk, Customs, British Columbia.....	77 00	11,112 64
1891.....	McKeon, John, Clerk, Post Office, Montreal.....	600 00	4,200 00
1881.....	McKay, H. B., Deputy Warden.....	480 00	12,768 00
1887.....	Nelson, John, Landing Waiter.....	448 00	7,839 38
1877.....	O'Hara, J., Marine Mail Clerk.....	320 00	4,160 00
1879.....	Parsons, F. M., Post Office Inspector, Halifax.....	352 00	24,640 00
1885.....	Peachy, J. W., Customs Department.....	672 00	14,400 00
1882.....	Perkins, T., Landing Waiter, Windsor.....	82 50	4,680 90
1883.....	Pope, Hon. J., Dominion Auditor, Prince Edward Island.....	540 00	15,120 00
1872.....	Prendergast, J., Cullers' Office, Quebec.....	60 00	7,302 96
1874.....	Quinn, Francis, Cullers' Office, Quebec.....	19 25	8,685 72
1873.....	Ranney, G. W., Superintendent, New Castle Dis. Works.....	36 00	7,851 86
1873.....	Reid, Alex., Lighthouse keeper.....	14 50	8,931 12

Date of S.	Name.	Paid in.	Received.
1866.....	Roberge, O., Messenger, House of Commons .....	\$ cts.	\$ cts.
1879.....	Romaine, E. C., Inspector Inland Revenue .....	120 00	4,158 00
1887.....	Ross, Thomas, Accountant of Contingencies .....	352 00	10,878 72
1871.....	Rubidge, F. P., Assistant Engineer, Public Works .....	832 00	14,559 36
1884.....	Russell, Lindsay, Surveyor General.....	48 00	39,916 80
1881.....	Scott, F. G., Clerk, Finance Department .....	832 00	11,049 12
1871.....	Scott, Thos., Chief Architect.....	28 00	10,592 24
1877.....	Scott, Thos., Chief Architect.....	600 00	9,040 00
1877.....	Small, W. M., Clerk, Post Office, Meaford.....	176 00	4,268 16
1881.....	Smyth, J. S., Keeper of Lighthouse, Nova Scotia.....	53 75	4,214 00
1881.....	Stephens, Chas. L., Clerk in Post Office Inspector's Office.....	200 00	6,158 88
1879.....	Thomas, G. W., Landing Waiter.....	55 00	2,090 88
1886.....	Tomilson, J., Department of Railways and Canals .....	750 00	12,674 61
1886.....	Torrance, J. A., Finance Department.....	667 50	10,011 60
1887.....	Travis, J., Stipendiary Magistrate.....	960 00	5,760 00
1885.....	Vrandenburgh, Henry, Customs.....	336 00	4,520 00
1872.....	Vincent, O., Library Messenger.....	7 50	10,460 00
1889.....	Walsh, T. J., Cullers' Office, Quebec.....	540 00	6,300 00
1871.....	Watson, John, Lock Tender, Welland.....	9 75	1,701 12
1883.....	Weber, A., Post Office Clerk, Toronto.....	255 20	3,763 20
1887.....	Wickshead, G. W., Law Clerk, House of Commons.....	1,088 00	19,039 68

My reason for detaining the House by reading over this list is to point out the objectionable manner in which the Act is administered. I have given those who have been drawing on the resources of the Dominion credit for more than they have paid, and the amount drawn for superannuation is that which will be drawn up to the 30th of this month. I

may add that every name on the list is that of an officer who has been superannuated by hon. gentlemen opposite. I contend that under these circumstances, in face of all these facts, it is quite time in the interests of the country that we should abolish the system. There is no necessity to keep it in existence, and I now move the second reading of the Bill.